



STATE BANKING DEPARTMENT

RICHARD C. HOUSEWORTH
SUPERINTENDENT OF BANKS

JANET NAPOLITANO
GOVERNOR

REGULATORY BULLETIN

MT-05-01

September 15, 2005

TO: ALL MONEY TRANSMITTERS

The purpose of this Regulatory Bulletin is to remind all money transmitters that they must comply with Arizona statutes A.R.S. § 6-1201 *et. seq.* and failure to do so may result in a disciplinary administrative action.

Retention of Records

A.R.S. § 6-1241(I) requires money transmitter licensees and their authorized delegates to maintain customer identification records that are created pursuant to A.R.S. § 6-1241(E) for three years. After three years, A.R.S. § 6-1241(I) requires the licensee or its authorized delegate to deliver the customer identification records to the Attorney General. We have been advised that the Attorney General is not accepting these records and that licensees must retain these records pursuant to the Bank Secrecy Act. The Attorney General will deem the records in your possession as “delivered” once the money transmitter provides a retention letter to the Attorney General. The letter should state that the money transmitter will retain these records for the time period applicable to other Bank Secrecy Act records as custodian for the Attorney General and will make them available to the Attorney General on request during that time period. The letter should be sent to Cameron Holmes, Chief Counsel, Financial Remedies Section, Arizona Attorney General’s Office, 1275 West Washington, Phoenix, AZ 85007. If and when the need arises for some particular record or group of records, the Attorney General will request them from the licensee or authorized delegate. It is the money transmitter’s responsibility to advise its authorized delegates of this procedure for retaining records. Only the money transmitter is required to provide the acknowledgement letter of this procedure to the Attorney General.

Regulatory Actions To Remove, Suspend or Prohibit Individual Employees

Pursuant to A.R.S. § 6-161, the Superintendent has the authority to initiate an administrative action to remove, suspend or prohibit from participating in the affairs of a licensed money transmitter any director, officer, employee, agent, or other person who is found to have engaged in any of the following:

1. Any act, omission or practice in any business transaction which demonstrates personal dishonesty or unfitness to continue in office or participate in the conduct of the affairs of the financial institution or enterprise.

2. A wilful violation of an order of the superintendent.
3. Refusal to testify or produce records in response to a subpoena issued by the superintendent.
4. A conviction of a crime, an essential element of which is fraud, misrepresentation or deceit.
5. Any activity described in 12 United States Code § 1818(e)(1). For the purposes of this paragraph, all references to the appropriate federal banking agency are to the superintendent.
6. Any violation of this title relative to the financial institution or enterprise.

If the Superintendent determines that a person falls within any of the categories set forth above or exhibits a pattern or practice of illegal conduct demonstrating unfitness to continue to participate in the conduct of the affairs of a money transmitter, he or she may be subject to a removal action.

Richard C. Houseworth
Superintendent of Banks